

RFP #720C-04088-07R REVENUE MAXIMIZATION SERVICES

Questions and Answers # 3
02-16-07

Question #1: How many full-time equivalent physicians work in the sixteen points (facilities) of in-patient and outpatient care?

Answer: We do not know the exact number of physicians but we estimate 125.

Question #2: Except for Medicare, are no other insurance carriers such as Medicaid or Commercial are billed for ancillary outpatient services?

Answer: No, only Medicare.

Question #3: Do the State facilities operate a centralized billing process or is each facility independently responsible for billing? If each facility is independently responsible for billing, does DMHMRSAS have central access to all individual facility patient accounting systems?

Answer: DMHMRSAS utilizes a purchased Accounts Receivable that is controlled by the Central Office, i.e. policy parameters/security etc., but is operationally under the control of each facility's Reimbursement Office. DMHMRSAS has central access to all individual patient accounting system information.

Question #4: Will cost savings initiatives be considered along with revenue maximization projects?

Answer: Yes.

Question #5:

Does the State contract with an outside vendor(s) to assist the facilities identified in this procurement with the enhancement of revenue and/or collections?

If yes, is the current scope of these services available for each vendor? Please provide the name of the vendor along with the current scope of services included in this contract as well as the time period of the contract including all amendments.

If yes, are the terms of this contract available for each vendor? Specific items requested include: annual cost of contract, hourly rate by position, contingency rate, etc.

If yes, are status reports or similar documents prepared as part of the contract with each vendor? Please provide status reports for the current year as well as SFY 2006.

If yes, how much net revenue has been realized as a result of each contract? Please provide revenue distribution by payer including the following distribution by facility (if available): Medicare Part A, Medicare Part B (technical), Medicare Part B (professional), Medicare Part D, Medicaid, Veterans Administration, Blue Cross/Blue Shield, Other Commercial, and direct collections from patients.

Answer:

No, Currently we are not under contract with any vendor for these services. The remaining questions under #5 are not applicable.

Question #6:

What eligibility systems are in place within each of the facilities to identify third party benefits for patients? Specifically, does each facility have access to information from Social Security, Medicare Part A, Medicare Part B, Medicare Part D, Veterans Administration, Blue Cross/Blue Shield, commercial insurance?

Answer:

All DMHMRSAS facilities verify third party resources by using SVES (Medicare), DSS Database, Medifax and whatever process is available.

Question #7: The RFP indicates that during SFY 2006, total facility collections were \$286 million. Can DMHMRSAS provide a distribution of collections by facility by the following payer categories:

Medicare Part A
Medicare Part B (technical)
Medicare Part B (professional)
Medicare Part D
Traditional Medicaid (please specify whether collections include both state and federal share of payments)
Medicaid Disproportionate Share Hospital (DSH) (please specify whether collections include both state and federal share of payments)
Veterans Administration
Blue Cross/Blue Shield
Other Commercial payers
Direct collections from patients

Answer: Revenue distribution by source:

- Medicare Part A, \$10.9 Million
- Medicare Part B (technical), \$1.2 Million
- Medicare Part B (professional), \$1.5 Million
- Medicare Part D, \$5.2 Million (partial year; 6 months)
- Medicaid (state and FFP), \$246 Million
- Medicaid (DSH), \$3 Million
- Veterans Benefits, Blue Cross/Blue Shield & Other Commercial Insurance) \$3.5 Million
- Federal Entitlements, \$10.4 Million
- Private Pay, \$4.3 Million

Question #8: Are any of the DMHMRSAS facilities affiliated with an ACGME program (i.e. teaching hospitals)? If so, which ones?

Answer: No.

Question #9: How does the State submit claims to the following payers?

Medicare Part A	Electronic Paper
Medicare Part B (UB-92)	Electronic Paper
Medicare Part B (1500)	Electronic Paper
Medicaid	Electronic Paper
Veterans Administration	Electronic Paper
Blue Cross/Blue Shield	Electronic Paper
Commercial	Electronic Paper

Answer: Claims submission:

- Medicare Part A, Direct Data Entry
- Medicare Part B (UB-92), Electronic & Paper
- Medicare Part B (1500), Electronic & Paper
- Medicare Part D, Electronic
- Medicaid, Electronic
- Veterans Benefits, Blue Cross/Blue Shield & Other
Commercial insurance, Electronic & Paper
- Federal Entitlements, Electronic
- Private Pay, Paper

Question #10: The Statement of Need indicates no formal process for the approval (or denial) of initiatives. What will be the formal process for approving initiatives, which are identified?

Answer: **DMHMRSAS management on a situational basis will determine approving or denying initiatives.**

Question #11: Does the State participate in a pharmacy consortium to purchase drugs? Does the state operate (or contract) a centralized pharmacy management and distribution process for the facilities included in this procurement?

If yes, is the pharmacy management and distribution process managed on one uniform technology platform for all facilities?

If yes, can the state provide the successful vendor with extracts from this system?

If no, can each facility provide the successful vendor with extracts from their individual systems?

Answer: Yes, MMI.

- Each facility operates independently relative to procurement of medications under state contracts.
- All facility pharmacies operate on the QS-1 system with the exception of Piedmont. Although Piedmont is unique, it must be compatible with central office reporting capabilities.
- Yes

Question #12: Has the State entered into contracts with Medicare Prescription Drug Plans (PDP) for the processing of eligible Part D claims? If yes, please provide the names of the PDPs that are under contract.

If yes, please provide the list of facilities currently eligible to bill under these contracts.

If no, does the state have plans to enter PDP contracts or has the State assigned this responsibility to an outside pharmacy provider?

If the State intends to contract with PDPs, does the state plan to utilize a long-term care network or contract directly with each PDP?

If the State has assigned responsibility to an outside pharmacy provider, does this procurement include the review and enhancement of this contracted provider?

Answer: Yes. All stand-alone Medicare Part D plans available in Virginia are under contract. All facilities except Northern Virginia Training Center, which as just contracted out for pharmacy services, are eligible to bill under these contracts.

Question #13: Does the State utilize a common billing and accounts receivable system for all of the facilities identified in this procurement?

If yes, please provide the name of this accounts receivable system, including the current version available at each location.

If not, please identify the systems used by each facility to bill including the current version available at each location. If more than one billing system is in place within a facility, please identify all billing systems within the facility

Answer: DMHMRSAS utilizes a common billing system.

- AVATAR/QS-1
- N/A

Question #14: Is the Small Business Subcontracting Plan a pass/fail requirement (i.e. if we include a Small Business, MBE, or WBE do we automatically get credited with 20% points for evaluation)?

Answer: No. The way it is evaluated is as follows:

If the offeror is a (Department of Minority Business Enterprise) DMBE-certified small business, the offeror shall indicate such in Section A of the Small Business Subcontracting Plan, and shall receive 100% of the points assigned to this evaluation criterion. If the offeror is not a DMBE-certified small business, the offeror is required to identify which portions of the requirement is planned to subcontract to DMBE-certified small businesses by completing and returning Section B of the Small Business Subcontracting Plan. The maximum number of points available if the offeror is not a DMBE-certified small business is 75% of the points assigned to this evaluation criterion. Failure to meet the planned small business participation levels as documented in Section B of the Small Business Subcontracting Plan, however, will not alone be the basis for determination of non-compliance. If the offeror is not a DMBE-certified small business and cannot practicably subcontract any portion of the requirement being solicited, in order to be eligible to receive points for this evaluation criterion, the offeror must document past efforts made to provide subcontracting opportunities to DMBE-certified small businesses for other contracts within the past 24 months. The documentation may include any good faith efforts made regarding the procurement. This shall be done by the offeror completing and returning Section C of the Small Business Subcontracting Plan. The maximum number of points an offeror may receive for completing Section C is 50% of the points assigned to this evaluation criterion.

Question #15: Are state facilities included in this procurement currently participating in a Medicaid upper payment limit calculation?

If yes, which facilities are part of this calculation?

If yes, does the Medicaid agency make supplemental payments to these facilities based on the upper payment limit calculation?

If yes, please provide the amount of supplemental payment made to each eligible facility during FY 05 and FY 06.

If no, does DMAS cost-settle Medicaid payments for each of the state facilities included in this procurement?

Answer: Yes, as appropriate

- All Medicaid certified levels of care
- No
- N/A
- Yes, via cost settlement processes.

Question #16: Is there an incumbent currently providing these services. If yes, who is the company?

Answer: No. Currently we are not under contract with any vendor for these services.

Question #17: Can we have a listing of all parties/potential vendors who have received copies of the RFP?

Answer: Not available and no way of knowing who has downloaded a copy of the RFP from the state's (eVA) web-site or the Department's web-site.

Question #18: On page 4 (of the RFP), Background section, they refer to number of clients i.e. Catawba Hospital - 106 clients? Does this mean the actual number of patient records at this facility? What is the current or proposed process for requesting records for review? Is there a cost associated with requesting the medical record? Do you anticipate on or off site review? What % of the records will be reviewed either on or off site?

Answer: Number of clients equates to the inpatient census at each facility. Vendors should anticipate viewing records onsite and/or in the central office. Records will not be made available prior to completing of the contracting process...signed contract. The records will be provided at no cost to the Contractor.

Question #19: Page 4, last sentence on the page references \$286 million in collections for FY06...What was the actual number? What percentage of the collections was from managed care vs. fee-for-service cases? Are there historical numbers for past years in terms of collections?

Answer: The actual number is \$286 million in collections for FY06. Percentage of collection from managed care 0%, from fee-for-service < 1%. Historical information relative to collections is available upon request.

Question #20: What is the average collection time once an error has been identified? What is the current process for collections should a provider fail to respond to a request?

Answer: Average collection time once an error has been identified? This question must be expanded upon. As stated, we have no answer. Type of error, etc. or situations should be identified. If a provider fails to respond to a request all appeal and legal avenues possible are open to DMHMRSAS.

Question #21: Regarding the feasibility study portion of the work? Can this portion of the work be billed as FFP vs. contingency?

Answer: No.

Question #22: If a vendor is already a certified DMBE, is that vendor still required to complete a Small Business Subcontracting Plan?

Answer: Yes, at least Section A,

Question #23: Has the Commonwealth determined a threshold for case review i.e.. outpatient cases over \$50; inpatient cases over \$1,000?

Answer: All cases managed by DMHMRSAS are available for review without regard to balance threshold.

**The following questions are about RFP Section V.
Proposal Preparation and Submission Requirements**

Question #24: In A.2.c, the RFP states, "Proposals should be organized in the order in which the requirements are presented in the RFP." Are the requirements referred to the ones listed in Section B on page 8?

Answer: Yes.

Question #25:

In A.2.c, the RFP also states, “Each paragraph in the proposal should reference the paragraph number of the corresponding section of the RFP. It is also helpful to cite the paragraph number, sub letter, and repeat the text requirement as it appears in the RFP. If a response covers more than one page, the paragraph number and sub letter should be repeated at the top of the next page.”

A. Are the text requirements to be repeating the ones listed in Section B on page 8?

B. Is it acceptable for each heading/subheading to reference the corresponding section of the RFP instead of each paragraph? For example, is the following labeling scheme acceptable:

Section 2B. Staffing and Resumes

RFP Section V.B.2.b: Resume of key individuals who will be assigned to manage and carry out the tasks. (Key staff = those who will actually perform at least 20% of tasks) Offeror shall also indicate which of these key staff that will be located on site of the Purchasing Agency during the initial contract period for each subsequent renewal.

Paragraph 1

Section 2B-1: Staffing

RFP Section V.B.2.b: Resume of key individuals who will be assigned to manage and carry out the tasks. (Key staff = those who will actually perform at least 20% of tasks) Offeror shall also indicate which of these key staff that will be located on site of the Purchasing Agency during the initial contract period for each subsequent renewal.

Paragraph 1

Paragraph 2

Section 2B-2: Resumes

RFP Section V.B.2.b: Resume of key individuals who will be assigned to manage and carry out the tasks. (Key staff = those who will actually perform at least 20% of tasks) Offeror shall also indicate which of these key staff that will be located on site of the Purchasing Agency during the initial contract period for each subsequent renewal.

Paragraph 1

Paragraph 2

Section 2C. Detailed Experience

RFP Section V.B.2.c: Detailed experience of Offeror in projects of this type, including duration or period covered and references

Paragraph 1

Paragraph 2

Answer: **A. Yes**
 B. Yes